



State of Washington
Department of Revenue

Excise Tax Advisory

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DUMP TRUCK OPERATORS

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What excise tax liabilities result from the various types of work engaged in by dump truck operators? Listed below are different types of operations and the resultant tax liability.

1. Sales of fill dirt or top soil are taxed under Retailing business and occupation tax and retail sales tax (or Wholesaling business and occupation tax if sold for resale).

2. Contracts for trenching, excavating or back filling are taxable under Retailing business and occupation tax and retail sales tax (or Wholesaling business and occupation tax when done as a subcontract).

In this situation, the operator contracts to perform such earth moving activities as excavating and dumping earth according to specific requirements of the agreement. He is responsible for special work and the contract has as its purpose the removal or placement of earth as distinct from the performance of mere transportation services.

3. Hauling for hire is taxed under either the Motor or Urban Transportation classifications of the public utility tax.

Where the agreement calls for the performance of mere transportation services including loading and dumping, the operator is subject to the public utility tax (Motor or Urban Transportation classification).

ETBS have been made Excise Tax Advisories, and have retained their old number. Advisories with a 2 (plus three digits) are new advisories, ETBs that have been revised and readopted after review under the Department's regulatory improvement program, or advisories that have been revised and/or readopted.

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Please direct comments to:
Department of Revenue
Legislation & Policy Division
P O Box 47467
Olympia, Washington 98504-7467
(360) 753-4161 eta@DOR.wa.gov

4. Activities which combine those included in number 2 (earth moving) and number 3 (hauling for hire) are taxed under the Retailing business and occupation tax and retail sales tax (or Wholesaling business and occupation tax when performed as a subcontract).

Where the contract combines hauling with a specific earth moving agreement (for example: a contract to excavate a basement which requires the contractor to haul away the excavated material) the entire contract will be treated as an earth moving contract unless the hauling portion is separately stated in the contract and billed separately.

5. Excavating, filling, hauling and tailgate spreading to specification on public road jobs (except state owned roads) is taxed under the Public Road Construction classification of the business and occupation tax. When these activities are performed in connection with state owned roads, tax is due under the Retailing classification and retail sales tax (or Wholesaling classification if done as a subcontract).

Motor Transportation or Urban Transportation does not include the hauling of any earth or other substance excavated or extracted from or taken to the right of way of a publicly owned street, place, road or highway, by a person taxable under the classification of Public Road Construction. This is true regardless of whether or not the earth moving portion is separately stated.

6. Mere hauling and tailgate spreading is taxed under the Motor or Urban Transportation classifications of the public utility tax unless the activity constitutes public road construction under Rule 171.

The Public Utility tax classifications are applicable when the obligation of the contractor is limited to providing transportation services.

7. Bare truck rentals are taxed under Retailing business and occupation tax and retail sales tax or Wholesaling business and occupation tax.

The rental of a dump truck to a contractor for use by the contractor is a retail transaction. Wholesaling is involved only when the lessee intends to re-lease it (without operator) to another.

8. The rental of a truck with a driver is not taxed as a rental but rather according to the nature of the activity performed; e.g. hauling for hire, earth moving, public road construction.

In this situation the operator is deemed to be performing contract services (as distinct from merely renting equipment). If the lessee is performing activities taxable under Motor or Urban Transportation, the lessor is entitled to the deduction in RCW 82.16.050(3).